

# Pilot Defector From Cuba Helps

STATINTL

## Exiles Get Off the Ground

By DON BEDWELL  
Herald Aviation Writer

In 1960, Captain Eddie Ferrer diverted, to Miami a Cuban airliner under his command, holding prisoner a cockpit guard who had been assigned to prevent pilot defections.

Today, he flies for a major U.S. airline, with some apprehension over his fate should one of his jetliners be hijacked back to Cuba.

Ferrer, who began flying at nine and was only 17 when he received his air transport rating, is one of many Cuban exile pilots who have carved out new aviation careers for themselves here.

ABOUT 250 Cubans have revived a 30-year-old Havana organization called the Cuban Pilots Association — or, as their membership cards read, the Asociacion de Pilotos Aviadores de Cuba.

Ferrer was a guiding force in the restitution of that organization and now serves as its president.

"A lot of Cuban pilots are flying today because of his efforts in looking for positions for pilots as far away as Africa," said Bill Alexander, a Cuban exile who flew wing to wing with Ferrer at the Bay of Pigs.

"Eddie persuaded me to qualify again and to join him flying for Mackey Airlines."

ALEXANDER and Ferrer are two of six pilots now in flying assignments for Eastern Airlines, which acquired three when it purchased Mackey in 1957.

The remaining three, according to Ferrer, are former pilots with Miami-based Air-lift International — a cargo airline that still counts about 10 Cubans on its pilot seniority list.

"Modern Air Transport has a couple flying in Germany," Alexander said. "Air Spain, Lanica, Southern Air Transport and Southeast all have a few."

THE HIJACKING of a Southeast flight to Cuba — and the seizure of its Cuban exile pilot by the Castro government — led to the temporary grounding of Eastern's Cubans.

But Ferrer is again flying 727 trijets while Alexander divides his time between flight-test assignments and various goodwill activities involving Eastern and Miami's Latin American community.

About 80 per cent of the association's members work out of Miami, with the remainder mostly in New York or San Juan.

MANY ARE former pilots for Cubana Airlines, Aerovias Q, Expreso, Cuba Aeropostal, the Cuban Air Force or Navy.

"It's very difficult for a Cuban to fly with an American airline," said Lou Palacio, a commercial pilot who is working in sales for Eastern after trying for five years to get a flying assignment.

"It's simply a case where the airlines can get people coming out of the service with jet time and other qualifications we don't have."

FERRER, who was Cuba's youngest airline captain at 24, was turned down by Eastern in 1962 because he was not an American citizen. (He now holds U.S. citizenship.)

More humiliating to him was his first failure to pass his air transport rating test as he sought to requalify as an airline pilot in this country.

"I flunked because I couldn't speak the language well," Ferrer recalled with a grin. "I was so embarrassed that I promised myself I'd get every license the United States offered."

HE NOW HOLDS a string of ratings ranging from ground instructor to aircraft dispatcher.

Ferrer flew into political asylum in this country 12 years ago after passengers helped him overpower a guard watching over the DC3 he commanded.

He quickly joined the exile invasion force in Guatemala and piloted a transport supplying troops at the ill-fated Bay of Pigs raid.

"When I got back from the Bay of Pigs, I went to work scraping boats on the Miami River for \$1 an hour, then started in as a milkman."

SOON, HE MOVED on to flying. United Nations missions in Africa and ultimately joined Mackey.

Ferrer's vice president at the Cuban Pilots Association is Mike Acosta, an Eastern ground instructor. Secretary of the group is Mike Murciano, chief of operations for Lanica of Nicaragua.

Alexander describes the association as "sort of a fraternal organization," which offers both social activities and a ground school which Palacio says "gives the Cuban driving a taxicab an opportunity to keep his flying ratings current" until he can locate an aviation job.

"My work is to keep the pilots unified," Ferrer said. "Unfortunately, most of the Cubans here are disunited. We have been an example of unity in the Cuban community."

## CIA and Mercenary Air Forces

CIA and local Asian air forces are playing a growing role in the air war as the Administration seeks to minimize overt American involvement. There is abundant documentation pointing to the participation of these air forces in opium smuggling as well as in combat. (See Ramparts, 4/71 for a fuller account.)

Local Asian air forces--supplied, maintained and directed by American "advisors"--are doing an increasing amount of the bombing. The size of the Vietnamese Air Force (VNAF) has increased dramatically, and the Royal Lao Air Force (RLAF), the Royal Thai Air Force (RTAF), and the Cambodian Air Force at slower rates. Although all the aircraft are piloted by Asians, Americans do everything else, from directing bomb loading to spotting for strikes.

Air America and Continental Airlines, privately owned, profit-making companies, operate under CIA direction and wage much of the supportive air war in Laos and Cambodia. The "charter" companies' planes perform troop transport and supply functions, spot for bombers, and engage in rescue operations for downed pilots. Air Force helicopters, helicopter gunships and giant C-130 cargo planes are "rented" to Air America for \$1 a year in Laos.

### ASIAN AIR FORCES

American aid to VNAF, FY 1970-72: \$922 million  
American aid to RLAF, FY 1970-72: \$128 million  
(DoD, CR, 8/3/71)

"The Nixon Doctrine . . . was premised on the assumption . . . of increased U.S. military assistance."  
(Undersecy. of State U. Alexis Johnson, FY 1972 DoD Authorization Hearings).

"An important factor in carrying out the Nixon Doctrine will be our military assistance program. We are requesting 48 million for development and 70.4 million for procurement of the International Fighter. In addition, we are requesting 10 million for initial spares. This aircraft is needed to provide an air defense capability for [our] Asian allies."  
(Secy. of Air Force Robert C. Seamans, FY 1972 Senate DoD Appropriations Hearings)

Sen. Symington: "Are we going to continue to put these billions into Southeast Asia? Is that the overall plan in the U.S. today?"  
Secy. Seamans: "For the foreseeable future we are going to continue to spend sizeable dollars in Southeast Asia."  
(Ibid.)

### VIETNAMESE AIR FORCE

"South Vietnamese military officers continue to doal in large quantities of heroin and to transport it around South Vietnam in military aircraft."  
(Rep. Robert H. Steele, House Subcommittee on Europe, 7/7/71)

"The South Vietnamese Air Force is the sixth largest air force in the world."  
(Michael Getler, Post, 1/14/72)

### VNAF INVENTORY

Year	Fixed Wing Attack Aircr.	Heli- copters	Total, inc. Cargo, recon.
1/69	approx. 100	approx. 125	approx. 575
1/72	(total FW & heli. 750+)		1,000+
1/73*	300-400	500-600	1,200

\*projected  
(1969 and 1973 figures, Cornell study.  
1972 figures, DoD)

### VNAF PERSONNEL

1968:	20,000 (slightly under)
1972 (Jan.):	45,000
1973*:	50,000

\*projected  
(Ibid.)

### VNAF ATTACK SORTIES

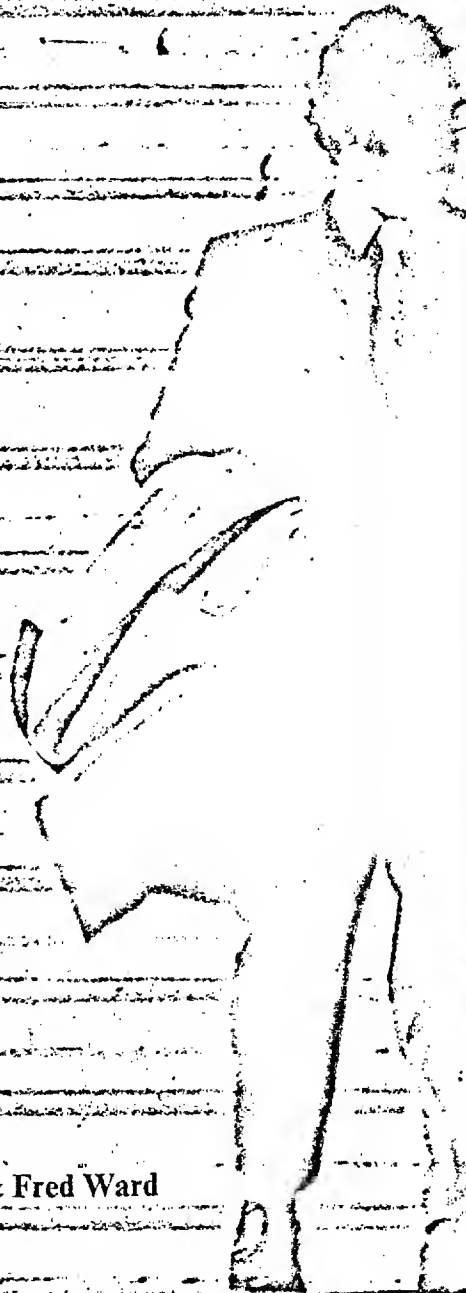
Year	Indochina	Laos	Cambodia
1968	2,250/mo.	none	none
1970	3,150/mo.	none	820
1971*	3,490/mo.	40	1,100

\*as of July, 1971  
(Cornell study)

"Mr. Seamans acknowledged that the Vietnamese 'will never be able to build the capability to do all that the United States Air Force has been doing in Laos. The Vietnamese Air Force . . . does not possess either B-52s or F-4s, the jet planes that do most of the trail bombing, and there are no plans,' Mr. Seamans said, 'to give it any.'"  
(Craig Whitney, NYT, 12/6/71)

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# THE SELLING OF



Text by Morton Kondracke

Photography by Dennis Brack & Fred Ward

*quote - unquote*

—From a United Press International interview by Edward K. DeLong with Victor Marchetti who quit the CIA after working there 14 years. The full text of the interview was published in U.S. News & World Report, Oct. 11, 1971.

"Marchetti said areas where the CIA might launch future clandestine paramilitary activities include South America, India, Africa and the Philippines — all places in the throes of social upheaval. Upheaval, he said, is what prompts the CIA director to begin planning clandestine activities in a country. . . .

"In addition to Air America, Marchetti said, the CIA has set up both Southern Air Transport in Miami and Rocky Mountain Air in Phoenix for possible use in paramilitary operations in South America. Similar fake airlines have been bought and sold all over the world, he said, including one in Nepal and another in East Africa."

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# Ein Eingeweihter über die CIA

Von paramilitärischen Geheimaktionen bis zur Anzettelung von Kriegen

Viktor Marchetti, ein ehemaliger Mitarbeiter der Central Intelligence Agency (CIA), sprach gegenüber einem UPI-Mitarbeiter als Eingeweihter über einige Praktiken des amerikanischen Geheimdienstes, dessen Leitung er lange Jahre angehörte. Obwohl er sich über die Verschwendung entrüstet, die dieses Instrument der USA-Regierung betreibt — er schlägt u. a. nicht realisierbare Kontrollmaßnahmen vor —, bejaht er im Prinzip diese Institution. Im folgenden Auszug aus dem amerikanischen Magazin dürften besonders die Äußerungen Marchettis — in einer ihm gemäßen Sprache — über die Rolle amerikanischer Geheimdienste bei der Anzettelung von Kriegen in Gebieten, in denen den USA nicht genehme Entwicklungen im Gange sind, interessant sein. Ein Grund für sein Ausscheiden aus der CIA liegt in der — sicher durch die Kenntnis von Geheimdokumenten beeinflussten — Einsicht, daß die blutige USA-Aggression gegen Indochina dem amerikanischen Ansehen in der Welt schade. Das amerikanische Magazin zitiert aus dem Gespräch u. a.:

So verwendet zum Beispiel die Nationale Sicherheitsbehörde (National Security Agency) — zu deren Aufgabengebiet es auch gehört, aufgefangene Botschaften ausländischer Regierungen zu dechiffrieren — etwa die Hälfte ihres Jahresbudgets von einer Milliarde Dollar. Sie haben in Fort Meade (Maryland) ganze Waggonen voll von Tonbändern von mitgeschnittenen sowjetischen (Rundfunk-) Mitteilungen, die zehn Jahre alt sind — Güterwagen voll. Weil die Sowjets in Codesystemen ebenso erfinderisch sind wie wir. Es ist technisch fast eine Unmöglichkeit, eine verschlüsselte, chiffrierte Botschaft zu dechiffrieren. So beschränken sie sich darauf, ständig das Material weiter zu sammeln und es in Waggonen zu

lagern. Sie harchen weiter in der ganzen Welt. Sie geben weiter ein Vermögen aus in dem Versuch, die sowjetischen (Chiffrier- und Dechiffrier-)Computer nachzubauen", führte er aus...

Was Marchetti am meisten an der CIA beunruhigt, ist ihre Neigung zu den dunklen Künsten paramilitärischer Geheimaktionen — ein Gebiet, das für die Agentur doppelte Anziehungskraft besitzt, weil das Militär auf diesem Terrain kaum operieren kann.

"Eins von den Dingen, die die Geheimdienstleute der CIA tun können, ist Kriege anzuzetteln", sagte er. "Sie können auf geheimen Wegen in einem Lande einen inoffiziellen Krieg auslösen und dafür sorgen, daß es so aussieht, als ob es sich nur um etwas handelt, was die lokalen Bauernhöfe selbst beschlossen haben und in eigener Regie durchführen wollen."

Auf diese Weise haben — Marchetti zufolge — die Vereinigten Staaten zuerst begonnen, aktiv in Vietnam zu kämpfen. Das ist die Art von Aktivität, die jetzt in Kambodscha und Laos vor sich geht, wo die CIA, wie kürzlich Zeugnisaussagen vor dem Kongreß enthüllt haben, eine Operation durchführen, die 450 Millionen Dollar jährlich verschlingt, sagte er.

Marchetti erklärte, er sei davon überzeugt, daß die CIA auch für den Staatsstreich verantwortlich sei, durch den Prinz Norodom Sihanouk (von Kambodscha) Anfang 1970 vertrieben wurde und der die amerikanisch-südvietnamesische Razzia nach kommunistischen Zufluchtsorten in jenem Lande einige Wochen später ermöglichte.

Die Geheimoperationen in Südostasien waren vor Jahren der Anlaß, daß die CIA zur Tarnung dort eine Luftfahrtgesellschaft, die AIR America, gründete, die heute ebenso viele Menschen, nämlich 18 000, beschäftigt, wie der Arbeitsstab der CIA zählt, führte er aus.

"Nun, die CIA hat nicht nur in Vietnam und Laos ihre Hände im Spiel", sagte Marchetti, "sie hält Ausschau nach weiteren Gebieten, in denen sich vielleicht auch günstige Gelegenheiten dieser Art ergeben könnten. Wenn sie beginnt, private Luftfahrtgesellschaften und alles andere zu errichten, was mit der Unterstützung für eine Regierung oder eine gegen die Regierung gerichtete Bewegung verbunden ist, so ist dies sehr, sehr gefährlich, weil die CIA dies auf geheimen Wegen tun kann und es somit für das Publikum schwierig wird, zu erkennen, was vorgeht."

Marchetti zufolge gehören Südamerika, Indien, Afrika und die Philippinen zu den Gebieten, wo die CIA möglicherweise eine künftige paramilitärische Aktivität entwickeln könnten — alles Länder, in denen soziale Umwälzungen gären. Ein Umsturz sei das, was den CIA-Direktor veranlasse, mit der Planung für eine mögliche Geheimdienstaktivität in einem Lande zu beginnen, sagte Marchetti...

Außer der Fluggesellschaft AIR America habe die CIA die Southern Air Transport in Miami und die Rocky Mountain Air in Phoenix zum möglichen Einsatz für paramilitärische Operationen in Südamerika gegründet, sagte er. Ähnliche getarnte Fluglinien seien in der ganzen Welt aufgekauft und verkauft worden, u. a. eine in Nepal und eine in Ostafrika. Ferner teilte Marchetti mit, die CIA habe ein großes Depot im amerikanischen Mittelwesten, wo sie militärische Ausrüstungen aller Art und unmarkierte Waffen aller Art hat.

"Im Laufe der Jahre hat sie alles in der ganzen Welt gekauft, was sie an Unentdeckbarem bekommen konnte — um sich auf den Eventualfall vorzubereiten, daß sie vielleicht den Wunsch haben könnte, einer Gruppe in, sagen wir einmal, Guatemala Waffen zu liefern..."

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THE CIA--An Attack and a Reply

# A FORMER STAFF OFFICER CRITICIZES CIA ACTIVITIES

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Is the CIA starting to spy on Americans at home--turning talents and money against students, blacks, others? That is one of several key questions raised in a wide ranging criticism. A direct response starts on page 81.

## THE ATTACK

The following was written by Edward K. DeLong of United Press International, based on an interview with a Central Intelligence Agency official who has resigned. The dispatch was distributed by UPI for publication on October 3.

Victor Marchetti embarked 16 years ago on a career that was all any aspiring young spy could ask. But two years ago, after reaching the highest levels of the Central Intelligence Agency, he became disenchanted with what he perceived to be amorality, overwhelming military influence, waste and duplicity in the spy business. He quit.

Fearing today that the CIA may already have begun "going against the enemy within" the United States as they may conceive it--that is, dissident student groups and civil-rights organizations--Marchetti has launched a campaign for more presidential and congressional control over the entire U. S. intelligence community.

"I think we need to do this because we're getting into an awfully dangerous era when we have all this talent (for clandestine operations) in the CIA--and more being developed in the military, which is getting into clandestine "ops" (operations)--and there just aren't that many places any more to display that talent," Marchetti says.

"The cold war is fading. So is the war in Southeast Asia, except for Laos. At the same time, we're getting a lot of domestic problems. And there are people in the CIA who--if they aren't right now actually already running domestic operations against student groups, black movements and the like--are certainly considering it.

"This is going to get to be very, tempting," Marchetti said in a recent interview at his comfortable home in Oakton, [Va.], a Washington suburb where many CIA men live.

"There'll be a great temptation for these people to suggest operations and for a President to approve them or to kind of look the other way. You have the danger of intelligence turning against the nation itself, going against the 'the enemy within.'"

Marchetti speaks of the CIA from an insider's point of view. At Pennsylvania State University he deliberately prepared himself for an intelligence career, graduating in 1955 with a degree in Russian studies and history.

Through a professor secretly on the CIA payroll as a talent scout, Marchetti netted the prize all would-be spies dream of--an immediate job offer from the CIA. The offer came during a secret meeting in a hotel room, set up by a stranger who telephoned and identified himself only as "a friend of your brother."

Marchetti spent one year as a CIA agent in the field and 10 more as an analyst of intelligence relating to the Soviet Union, rising through the ranks until he was helping prepare the national intelligence estimates for the White House. During this period, Marchetti says, "I was a hawk. I believed in what we were doing."

Then he was promoted to the executive staff of the CIA, moving to an office on the top floor of the Agency's headquarters across the Potomac River from Washington.

For three years he worked as special assistant to the CIA chief of plans, programs and budgeting, as special assistant to the CIA's executive director, and as executive assistant to the Agency's deputy director, V. Adm. Rufus L. Taylor.

"This put me in a very rare position within the Agency and within the intelligence community in general, in that I was in a place where it was being all pulled together," Marchetti said.

"I could see how intelligence analysis was done and how it fitted into the scheme of clandestine operations. It also gave me an opportunity to get a good view of the intelligence community, too: the National Security Agency, the DIA (Defense Intelligence Agency), the national reconnaissance organization--the whole bit. And I started to see the politics within the community and the politics between the community and the outside. This change of perspective during those three years had a profound effect on me, because I began to see things I didn't like."

With many of his lifelong views about the world shattered, Marchetti decided to abandon his chosen career. One of the reasons, he says, was that he was leaving the Director Richard Helms why he was leaving.



Mr. Marchetti

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continued

MIAMI, FLA.

HERALD

M - 380,828

S - 479,025

# Airline For CIA? 'Not Us'

## SAT Officials Deny Columnist's Report

A CIA airline?

Not us, say the folks at Miami's Southern Air Transport.

"I'm chairman of the board," chuckles F. C. (Doc) Moor, "and if it's a CIA operation I sure haven't gotten anything out of it at all."

"There's no sound basis for those reports at all," says Stanley G. Williams, president of the supplemental airline based at the northwest corner of Miami International Airport.

COLUMNIST Jack Anderson quoted a former CIA official, Victor Marchetti, as identifying SAT as a subsidiary of the Central Intelligence Agency.

"The sole existence of SAT," according to Marchetti, "is that the CIA be ready for the contingency that

### PLANE TALK



don  
badwell

someday it will have to ferry men and material to some Latin American country to wage a clandestine war."

Moor and Williams, two of four stockholders in the privately held corporation that Moor founded in 1947, characterize SAT as a certified supplemental airline that deals in both commercial and military charters.

BUT, MOOR acknowledges, "I don't doubt that we've carried loads that may be CIA. A cargo agent calls with a load for us to pick up, and we carry it."

"We don't know who is shipping what to whom."

Because of the capacity of its Lockheed Hercules air freighters, SAT is certified to carry outsized cargo anywhere in the world. The airline also is certified to haul regular cargo from any point in the United States to destinations in the Pacific or the Caribbean. SAT's original market for flights out of Miami.

ITS CARGOS may be as harmless as furniture or as volatile as dynamite.

SAT conducts a divided operation, with three Hercules and two DC6s based in Miami and two Boeing jets operating on contract to the Military Airlift Command out of Taiwan.

"With our Pacific operations and military flights out of Patrick Air Force Base, I'd say that 60 per cent of our work is military and 40 per cent commercial," Moor said.

HE DENIES "absolutely" past reports that one stockholder in SAT is the Pacific Corp., a Delaware holding company that has been identified as the parent firm of Air America, whose shadowy operations in Vietnam have earned it the name "Air Spook."

According to Moor, SAT is controlled totally by himself, Williams, and two other private investors, Percy Brundage and Perkins McGuire.

Williams worries that rumors of cloak-and-dagger dealings could affect the company's international business.

"THAT COULD hurt us," he said. "We're frequently applying for landing permits at airports all over the

Whoever SAT's clients are, its business enjoyed an upturn in 1970, records show.

The airline turned a modest net profit of \$50,820 on \$10.79 million in revenues, against a \$2,470 loss the year before on \$11.04 million in revenues. Its total assets are listed at \$9.7 million.

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CIA ORGANIZING, WAGING UNDECLARED WARS OF AGGRESSION

Moscow TASS International Service in English 19/1 GMT 21 Sep 71 L

[Text] Washington September 21 TASS--TASS correspondent Vladislav Chernyshov reports:

The Central Intelligence Agency is playing an increasingly active part in organizing and waging undeclared wars of U.S. imperialism. This is confirmed by facts contained in the "confidential memorandum" sent by the former CIA agent V. Marchetti to the member of the Congress House of Representatives Radilio published in the Washington POST. Marchetti pointed out, in particular, that the U.S. administration, taking advantage of the vague formulation of U.S. laws, sanctions the setting up of secret military arsenals and paramilitary forces secretly from the public and Congress. These arsenals and forces controlled by the CIA, the Washington POST writes, were used and are evidently being used for waging secret wars in Asia, Africa and Latin America.

The "confidential memorandum" says that for securing the possibility for launching rapidly military operations in various regions of the world the CIA has at its disposal air companies everywhere from the Congo to Nepal. Among such companies mention is made, for example, of the "Southern Air Transport" in Miami whose tasks include the air lifting of troops and weapons to some Latin American country for waging a secret war in case of emergency.

The biggest agent of the CIA is the "Air America" company which is playing an important part in the secret war in Laos.

In addition to its "unlimited" air transportation facilities, Marchetti points out, the CIA also keeps in the middle west arsenals of unregistered weapons, a secret base for training commandos in North Carolina, a secret air base in Nevada, and maintains contacts with international firms trading in arms.

Of late the attention of the U.S. and world public has been riveted to the war in Laos which has been waged for a number of years by the forces of mercenaries trained and paid by the CIA. As the U.S. ambassador to Laos Godley admitted recently, the army of the CIA has a strength of 30,000 men now. These "irregular troops" as Washington prefers to call them are, as he put it, "the backbone of military efforts in Laos".

The "confidential memorandum" tells of how the CIA prepared these military operations. A network of airfields and supply bases where weapons and ammunition were brought from CIA arsenals, was set up in Laotian territory. Simultaneously the CIA recruited mercenaries with whose hands the war is being waged now.

The CIA is by no means the only intelligence and subversive body of the USA through which the U.S. administration is waging undeclared wars against the national liberation movements. According to the U.S. press, Washington spends approximately 5,000 million dollars a year on subversive activities in all the regions of the world. These assignments of U.S. imperialism are carried out by about 200,000 staff members of various intelligence bodies.

As the newspaper Washington POST reports, the U.S. administration is now working out a plan of reorganizing and stepping up the activity of the country's entire espionage and subversive system.

The Washington Merry-Go-Round

*Ex-CIA Man Tells Secret War Effort**By Jack Anderson*

A former insider has charged that the Central Intelligence Agency has provided the President with the military wherewithal to wage his own private wars around the world and is geared to fight still new clandestine wars.

In a confidential memo to Rep. Herman Badillo (D-N.Y.) former CIA official Victor Marchetti makes these allegations:

• The White House has used "vague phraseology" in the law to build up a vast military arsenal and paramilitary force. Past presidents have ordered the CIA to wage secret wars in Asia, Africa and Latin America without the traditional constitutional safeguards and congressional oversight.

• The CIA "has bought and sold air transport companies all over the world" from the Congo to Nepal, so the President could mount paramilitary operations almost anywhere. Marchetti claims one such company, Air America, "has grown so large, owning more aircraft than most major U.S. airlines, that it was a source

of embarrassment within the agency. A senior officer had to be assigned the full-time job of keeping an eye on George Dole (the founder) in the hope of cooling his fantastic business success in the Far East."

• Southern Air Transport, a Miami-based firm, is also fingered by Marchetti as a CIA subsidiary. "The sole purpose for the existence of SAT," he asserts, "is that the CIA be ready for the contingency that some day it will have to ferry men and material to some Latin American country to wage a clandestine war."

*Fire Fighters*

Marchetti also identifies Rocky Mountain Air of Phoenix as "one of the more colorful companies owned by the CIA." This outfit specializes, he says, "in training and airlifting paratroopers, ostensibly for fire fighting purposes." But he then points out that the CIA has no need of fire fighting capability "unless it is to put out military brushfires south of the border."

• The CIA's "air capabilities, its warehouses full of unmarked military supplies in the Midwest, a secret demolition training base in North

Carolina, even a secret airbase in Nevada, and its connections with international arms dealing firms," Marchetti charges, give the President a formidable, secret war-making capability.

A CIA spokesman acknowledged that Marchetti formerly held a position of trust at CIA headquarters. He resigned several months ago to write a novel, "The Rope Dancer," based on his CIA experiences. But he abandoned fiction recently to write a detailed background memo for Congressman Badillo, who has introduced legislation to restrict the CIA to intelligence gathering and to prohibit clandestine wars.

Declares Marchetti: "Airports and huge supply bases were secretly established up-country, close to the action. Arms and material were delivered by the boatload from the CIA's warehouses in the Far East and the United States.

"Guerrilla chieftains were recruited to lead the Micos, who would actually fight the war for the CIA. The government of Laos was placated and finessed into turning things over to the CIA opera-

tors who could conduct the conflict.

*Swashbuckling Agents*

"The chief of station—the CIA's top post in the field—during the crucial mid-60s, was .... His previous assignment had been Berlin, where he announced to the CIA contingent there upon his arrival that he intended 'to tear down that blankety-blank wall.' He was transferred to Laos before he had the opportunity to carry out his threat, in part because of his ferociousness.

"He has been succeeded by ...., former chief of station in the Belgian Congo. When things grew quiet there, he once dropped everything for a clandestine foray into the French Congo in hope of tracking down Che Guevara.

"He failed. But his fellow operators a couple of years later eventually caught up with the revolutionary in Bolivia.

"These are the kind of men who have led the CIA in Laos, and the CIA has led the U.S. into another humiliating, inextricable international dilemma."

Bell-McClure Syndicate

STATINTL

## Air America's Civilian Facade Gives It Latitude in East Asia

By RICHARD HALLORAN

WASHINGTON, April 4—As the American-supported clandestine army went on the attack in Laos again this week, pilots of a flamboyant airline called Air America took to the skies once again to move troops, provide supplies and evacuate wounded.

Air America is a flight charter company that, like the clandestine army, is widely considered to be the servant of the United States Central Intelligence Agency.

With its assorted fleet of 167 aircraft, Air America performs diverse missions across East Asia from Korea to Indonesia. It is believed to be a major link for the C.I.A.'s extensive activities throughout Asia.

Air America parachutes Meo tribesmen and other secret agents behind North Vietnamese lines in Laos, trains mechanics for the aviation division of the national police in Thailand, hauls American aid cargo for the Agency for International Development in South Vietnam, ferries United States Air Force men from Okinawa to Japan and South Korea, and dispatches intelligence flights from Taiwan along the coast of Communist China.

The company also transports helicopters from France and Italy for assembly in Southeast Asia, flies prospectors looking for copper and geologists searching for oil in Indonesia, and provides pilots for commercial airlines such as Air Vietnam and Thai Airways and for China Airlines, which is on Taiwan.

Air America's civilian facade permits the United States to do things that would otherwise be impossible or, at least, politically embarrassing. The 1962 Geneva accords, for instance, prohibit foreign military aircraft in Laos but they say nothing about civilian planes. The facade also averts public attention in countries such as Japan that are sensitive to the American military presence.

Then too, intelligence services the world over have always used Air America to move troops and supplies. The C.I.A. and

other Government agencies controlled and secure transport. On the economic side, commercial work enables the company to keep its large fleet busy when part might be idle.

The outfit exudes an air of Oriental adventure out of Milton Caniff's comic strip "Terry and the Pirates." It has the flamboyance of the late Lieut. Gen. Claire L. Chennault's wartime Flying Tigers, from which it is descended. Working for Air America demands the resourceful skill of the bush pilots who have explored the unknown beaches of northern Canada, the South American highlands and Africa.

Those who have seen Air America's pilots on the job in Asia say they have a sense of dedication and duty. They take more than routine risks and some have gone down in Asian jungles, not to be seen again.

### Asian Art on the Walls

Most of the company's aircraft, like those of regular airlines, carry its name, though some are unmarked. The fleet includes long-haul jets, the C-46 and C-47 propeller craft that were the workhorses of World War II, a variety of helicopters and the latest in single-engine and twin-engine utility planes. Air America also borrows Air Force planes.

The line's headquarters in Washington looks much like the offices of other medium-size businesses—conservatively dressed executives, miniskirted secretaries, bits of Asian art on the walls, a reddish-orange carpet to lend a touch of cheer.

The chief executive of Air America is George A. Doole Jr., a low-key 60-year-old businessman who holds a master's degree from the School of Business Administration at Harvard. Before joining Air America in 1953 he was the chief pilot for Pan American and pioneered trans-Atlantic air routes before World War II.

In Asia the general manager is Hugh L. Grundy, 55, who is described by acquaintances as a quiet, shy man. He too is an alumnus of Pan American, having been an engineer with the line before the war and then having served in China. His headquarters is in Taipei, Taiwan.

The C.I.A. evidently has at least two channels into Air America—one through the hold-structure of Air America and its

affiliates, the other through charter arrangements under the guise of contracts with A.I.D. Gleanings from those contracts, which have been made available to The New York Times, show the extent of the operations.

The C.I.A. declines to comment on this subject, and A.I.D. officials refuse to discuss intelligence operations.

Mr. Doole, in an interview, brushed the matter aside. "If 'someone out there' is behind all this," he said, "we don't know about it."

### Incorporated in Delaware

The parent company of Air America is the Pacific Corporation, which was incorporated in Delaware in 1950 with \$10,000. Mr. Doole said the shares were privately held, mostly by the five members of the board of directors. The corporation and its subsidiaries employ about 9,300 people.

The Pacific Corporation owns 100 per cent of Air America, which is also a Delaware corporation founded in 1950. The line owns 125 aircraft and leases 42 more. It employs about 4,700 people, some 400 of them pilots, and has bases in Okinawa, Taiwan, South Vietnam, Thailand and Laos.

Air America, in turn owns 99 per cent of Air Asia, which was set up on Taiwan in 1955. Air Asia claims the finest aircraft maintenance and repair facility in Asia, at Tainan.

In addition, the Pacific Corporation owns 40 per cent of Civil Air Transport, incorporated under Chinese Nationalist law on Taiwan. It was founded in 1946 by General Chennault, the United States air commander in China during World War II, who died in 1958, and is manned by many of the pilots who flew with the Flying Tigers against Japan during the war.

Civil Air Transport, known as C.A.T., which originally functioned as a regular airline as well as carrying out clandestine missions, is also generally believed to have been operated and partly financed by United States intelligence agencies. Air America took over C.A.T. in 1950.

When the Chinese Nationalists wanted to establish a Chinese-run airline, C.A.T. had to get out of the passenger business. Most of its other operations have since been absorbed by Air America but it still flies some special missions.

There is also a separate operating division of Air America known as Pacific Engineering.

"We're all one family," Mr. Doole said. "You can't tell one from the other. We tie them together with contracts and don't even keep separate books except for tax purposes."

Air America and its affiliates appear to be self-sustaining operations in that they are paid by A.I.D. and commercial clients for their work. Because more than 50 per cent of it is done under Government contract, it is impossible to say whether the line makes a profit in the commercial sense. Moreover, its financial transactions and earnings are unavailable because the Pacific Corporation, being closely held, does not have to report them publicly.

The boards of directors of the companies are closely tied together. Most of the directors serve on several boards, which are made up of reputable businessmen chosen to give the entire complex respectability and a cover that looks genuine.

Samuel A. Walker, chairman of the Pacific Corporation, is a managing partner of Joseph Walker & Sons, a New York banking house. He is also a director of Air America.

### Pilots Are Greatest Asset

The chairman of Air America and Air Asia is Adm. Felix B. Stump, who was commander in chief of United States forces in the Pacific from 1953 to 1959. Mr. Doole holds the titles of president of the Pacific Corporation and chief executive of Air America and Air Asia.

Robert G. Goelet, William A. Read and Arthur B. Richardson are directors of all three companies. Mr. Goelet has extensive holdings in New York real estate. Mr. Read is a retired member of the investment house of Dillon, Read & Co., and Mr. Richardson was formerly president of Chesebrough-Pond's.

Air America's greatest assets are its pilots, mostly Americans but including some Chinese and Thais.

"We hire the same pilots that Pan American and United hire," Mr. Doole said, "except that ours are a bit more experienced."

He shied from the term "bush

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